

in 1988. In 1993, a little more than 2% percent of Brazil's imports came from Canada, marginally less than in 1988.²¹

The composition of Canadian exports to Latin America remained fairly stable between 1988 to 1993. Compared to the average for Canadian exports, the region takes a higher proportion of agricultural products and a lower proportion of end products. Proportions for raw and fabricated materials roughly match those of the average export mix.

2.5 The Persian Gulf

Canadian exports to the Middle East and Africa are quite small compared to exports to other regions. However, Canadian exports to Saudi Arabia, Iran and the United Arab Emirates are reasonably large when measured on a bilateral basis and have grown consistently over the past ten years. Canadian export performance in these countries compares quite favourably with that of many other countries. Canadian exports to the Middle East grew by 150% between 1988 and 1993.

2.6 The United States

The recent growth of Canadian exports to the United States is part of a very long-term trend. In addition to the obvious geographic and economic forces at work, the results of trade negotiations such as the Auto Pact of 1965, subsequent GATT Rounds leading to substantial tariff reductions on bilateral trade, and most recently the FTA and NAFTA, have been instrumental in improving and securing access to the U.S. market, thereby encouraging Canadian exports. Exports to the United States have been steadily growing as a share of total exports for more than 30 years. This is largely because the rate of growth of our exports to the U.S. has been consistently higher than the average rate during this period. Indeed, Canadian exports to the United States have consistently had the highest growth rate of our exports to any major region. Data quality problems, such as the transshipment of goods through the U.S. to third country markets, mean that published statistics may slightly overstate Canadian export growth to the United States and understate that to other regions.

Canadian exports to the United States have the highest proportion of manufactured end products of Canadian exports to any major market. Again, it might seem reasonable to assume that these exports have superior job creation effects per dollar of exports than Canadian exports made up to a greater extent of resource

²¹ *Ibid.*, p. 223.